

FISCAL NOTE

HB 1264 - SB 1671

March 11, 1997

SUMMARY OF BILL: Enacts the "*Drinking Water Revolving Loan Fund Act of 1997*," the purpose of which is to receive and use federal funds for low cost loans to public drinking water systems of local governments. Such loans would be made based upon a priority system that would give preference to systems in economically disadvantaged areas, and to projects that address the most serious human health concerns and that are necessary to bring drinking water systems into compliance with state law. Repayments of loans would be deposited into the fund. Local governments may pledge their state shared taxes as security for such loans.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$12,500,000 / Federal Funds / Reflected in Governor's Budget

State Revenues - \$2,500,000 / Redirected from Wastewater Program / Reflected in Governor's Budget

Increase State Expenditures - \$15,000,000 / Reflected in Governor's Budget

Increase Local Govt. Revenues - \$15,000,000

Increase Local Govt. Expenditures - Exceeds \$15,000,000 / Over Time

Other Impact - Increase State Expenditures - \$2,500,000 / FY98-99 / Replace Wastewater Funding

Assumes an increase in state revenues from federal grant funds of \$12,500,000. Such grant funds will be matched by \$2,500,000 in state funds transferred from the Wastewater program; this transfer and the additional federal funds are identified in the Governors' Recommended 1997-98 Budget. Assumes an increase of \$2,500,000 in FY1998-99 expenditures to replace funds redirected from the Wastewater program since failure to fund the state match could jeopardize the continued receipt of federal wastewater funds.

Assumes an increase in local government revenues of \$15,000,000 in loans for drinking water systems to the extent that such governments apply and qualify for the loans.

Assumes an increase in local government expenditures exceeding \$15,000,000 over time to build or improve such drinking water systems and to repay principal and interest on the loans.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director